

VELESTO ENERGY BERHAD

(COMPANY NO : 200901035667)

(INCORPORATED IN MALAYSIA)

Unaudited Condensed Consolidated Statement Of Comprehensive Income For The First Quarter Ended 31 March 2021

	Quarter Ended 31/03/2021 RM'000	Quarter Ended 31/03/2020 RM'000	(Unaudited) Financial Period Ended 31/03/2021 RM'000	(Unaudited) Financial Period Ended 31/03/2020 RM'000
<u>Continuing Operations</u>				
Revenue	43,927	176,269	43,927	176,269
Operating Expenses	(94,654)	(141,031)	(94,654)	(141,031)
Other Operating Income	55	33	55	33
(Loss) / Profit From Operations	(50,672)	35,271	(50,672)	35,271
Finance Costs	(10,807)	(19,513)	(10,807)	(19,513)
Share Of Results Of Associated Company	44	44	44	44
Investment Income	1,148	1,930	1,148	1,930
(Loss) / Profit Before Tax From Continuing Operations	(60,287)	17,732	(60,287)	17,732
Taxation	(187)	(1,407)	(187)	(1,407)
(Loss) / Profit From Continuing Operations, Net Of Tax	(60,474)	16,325	(60,474)	16,325
<u>Other Comprehensive Income:</u>				
Foreign Currency Translation	65,330	153,173	65,330	153,173
Other Comprehensive Income, Net Of Tax	65,330	153,173	65,330	153,173
Total Comprehensive Income For The Period	4,856	169,498	4,856	169,498
<u>(Loss) / Profit For The Period Attributable To:</u>				
Equity Holders Of The Company	(60,474)	16,325	(60,474)	16,325
Non-controlling Interests	-	-	-	-
	(60,474)	16,325	(60,474)	16,325
<u>Total Comprehensive Income Attributable To:</u>				
Equity Holders Of The Company	4,847	169,444	4,847	169,444
Non-controlling Interests	9	54	9	54
	4,856	169,498	4,856	169,498
<u>(Loss) / Earnings Per Share Attributable To Equity Holders Of The Company:</u>				
Basic (Sen)	(0.74)	0.20	(0.74)	0.20
Diluted (Sen)	(0.74)	0.20	(0.74)	0.20

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 31 December 2020)

VELESTO ENERGY BERHAD
Unaudited Condensed Consolidated Statement Of Financial Position

	(Unaudited) As At 31/03/2021 RM'000	(Audited) As At 31/12/2020 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	2,772,505	2,720,739
Right-of-use Assets	9,830	9,990
Investment In Associate	1,921	1,877
	<u>2,784,256</u>	<u>2,732,606</u>
Current Assets		
Inventories	205,565	199,614
Other Investments	123,539	97,938
Trade Receivables	83,980	147,092
Other Receivables	21,245	15,724
Deposits, Cash & Bank Balances	223,450	261,234
	<u>657,779</u>	<u>721,602</u>
TOTAL ASSETS	3,442,035	3,454,208
EQUITY AND LIABILITIES		
Equity Attributable To The Equity Holders Of The Company		
Share Capital	1,844,817	1,844,817
Capital Contribution - ESOS	8,664	7,525
Warrant Reserve	211,876	211,876
Other Reserves	698,868	633,547
Accumulated Losses	(488,644)	(428,170)
	<u>2,275,581</u>	<u>2,269,595</u>
Non-controlling Interests	1,220	1,211
TOTAL EQUITY	2,276,801	2,270,806
Non-Current Liabilities		
Long Term Borrowings	864,061	871,139
Lease Liabilities	5,771	5,719
	<u>869,832</u>	<u>876,858</u>
Current Liabilities		
Taxation	1,479	7,903
Short Term Borrowings	196,047	182,663
Lease Liabilities	2,866	5,577
Trade Payables	72,010	89,516
Other Payables	23,000	20,885
	<u>295,402</u>	<u>306,544</u>
TOTAL LIABILITIES	1,165,234	1,183,402
TOTAL EQUITY AND LIABILITIES	3,442,035	3,454,208
Net Assets Per Share (RM)	0.2770	0.2763

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 31 December 2020)

VELESTO ENERGY BERHAD

Unaudited Condensed Consolidated Statement Of Changes In Equity For The Period Ended 31 March 2021

	← Non - Distributable →					Gain On Derecognition of Financial Liabilities		Distributable		Total Equity RM'000
	Share Capital RM'000	Share Options Reserve RM'000	Warrant Reserve RM'000	Capital Reserve RM'000	Foreign Currency Translation Reserve RM'000	Accumulated Losses RM'000	Total RM'000	Non - Controlling Interests RM'000		
At 1 January 2021	1,844,817	7,525	211,876	698	554,704	78,145	(428,170)	2,269,595	1,211	2,270,806
Transactions With Owners:										
Share options granted under Employees' Share Option Scheme ("ESOS")	-	1,139	-	-	-	-	-	1,139	-	1,139
Total Comprehensive Income / (Loss)	-	-	-	-	65,321	-	(60,474)	4,847	9	4,856
At 31 March 2021	1,844,817	8,664	211,876	698	620,025	78,145	(488,644)	2,275,581	1,220	2,276,801

Unaudited Condensed Consolidated Statement Of Changes In Equity For The Period Ended 31 March 2020

	← Non - Distributable →					Gain On Derecognition of Financial Liabilities		Distributable		Total Equity RM'000
	Share Capital RM'000	Share Options Reserve RM'000	Warrant Reserve RM'000	Capital Reserve RM'000	Foreign Currency Translation Reserve RM'000	Accumulated Losses RM'000	Total RM'000	Non - Controlling Interests RM'000		
At 1 January 2020	4,054,817	3,905	211,876	698	599,213	78,145	(2,146,438)	2,802,216	1,260	2,803,476
Transactions With Owners:										
Share options granted under Employees' Share Option Scheme ("ESOS")	-	1,062	-	-	-	-	-	1,062	-	1,062
Total Comprehensive Income	-	-	-	-	153,119	-	16,325	169,444	54	169,498
At 31 March 2020	4,054,817	4,967	211,876	698	752,332	78,145	(2,130,113)	2,972,722	1,314	2,974,036

(The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 31 December 2020)

VELESTO ENERGY BERHAD

Unaudited Condensed Consolidated Statement Of Cash Flows For The Period Ended 31 March 2021

	(Unaudited) 3 Months Ended 31/03/2021 RM'000	(Unaudited) 3 Months Ended 31/03/2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit Before Tax	(60,287)	17,732
Adjustments For:		
Depreciation & Amortisation	41,189	60,822
Interest Expense	10,807	19,513
Share Of Results Of Associated Company	(44)	(44)
Investment Income	(1,148)	(1,930)
Net Unrealised Foreign Exchange Loss	7,233	5,221
Net Fair Value (Gain) / Loss On Money Market Fund	(177)	43
Share Options Granted Under ESOS	1,138	1,062
Operating Profit Before Working Capital Changes	<u>(1,289)</u>	<u>102,419</u>
Decrease / (Increase) In Receivables	65,845	23,229
Decrease / (Increase) In Inventories	(96)	(10,750)
(Decrease) / Increase In Payables	<u>(14,924)</u>	<u>(23,274)</u>
Cash Generated From Operating Activities	49,536	91,624
Interest Paid	(9,700)	(17,496)
Taxes Paid	<u>(10,403)</u>	<u>(2,779)</u>
Net Cash Generated From Operating Activities	<u>29,433</u>	<u>71,349</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase Of Property, Plant & Equipment	(19,074)	(26,720)
Interest Received	1,148	1,930
Net (Placement) / Withdrawal Of Investments In Money Market Fund	<u>(25,392)</u>	<u>45,329</u>
Net Cash (Used) / Generated In Investing Activities	<u>(43,318)</u>	<u>20,539</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Movement In Short Term Borrowings	(27,170)	(78,341)
Payment Of Lease Liabilities	(2,982)	-
Placement Of Restricted Cash Deposits In Licensed Bank	<u>(834)</u>	<u>(3,584)</u>
Net Cash Used In Financing Activities	<u>(30,986)</u>	<u>(81,925)</u>
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	(44,871)	9,963
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	203,331	192,391
EFFECTS OF EXCHANGE RATE CHANGES	6,253	10,142
CASH AND CASH EQUIVALENTS AS AT 31 MARCH	<u>164,713</u>	<u>212,496</u>
Cash and Cash Equivalents comprise:		
Deposits, Cash & Bank Balances	223,450	287,784
Less: Restricted Cash	<u>(58,737)</u>	<u>(75,288)</u>
	<u>164,713</u>	<u>212,496</u>

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 31 December 2020)

Explanatory Notes

NOTE 1 – Significant accounting policies

Basis of preparation

The interim financial statements have been prepared in accordance with the requirements of International Accounting Standards (“IAS”) 34, Interim Financial Reporting and Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The significant accounting policies and methods of computation in the interim financial statements are consistent with those in the annual audited financial statements for the year ended 31 December 2020 except for the adoption of the following MFRS/Amendments/Interpretations effective on or after 1 January 2021:

- Amendments to MFRS 4 Insurance Contracts (Interest Rate Benchmark Reform-Phase 2)
- Amendments to MFRS 7: Financial Instruments - Disclosures (Interest Rate Benchmark Reform-Phase 2)
- Amendments to MFRS 9: Financial Instruments (Interest Rate Benchmark Reform-Phase 2)
- Amendments to MFRS 16 Leases (Interest Rate Benchmark Reform-Phase 2)
- Amendments to MFRS 139: Financial Instruments: Recognition and Measurement (Interest Rate Benchmark Reform-Phase 2)
- Amendments to MFRS 16: Leases (Covid-19-Related Rent Concessions beyond 30 June 2021)

The adoption of these pronouncements did not have a significant impact to the financial statements of the Group and the Company.

Standards issued but not yet effective:

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) but not yet effective and have not been applied by the Group:

- Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards - Annual Improvements to MFRS Standards 2018-2020 (effective 1 January 2022)
- Amendments to MFRS 3: Business Combinations - Reference to the Conceptual Framework (effective 1 January 2022)
- Amendments to MFRS 9 Financial Instruments - Annual Improvements to MFRS Standards 2018-2020 (effective 1 January 2022)
- Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use (effective 1 January 2022)
- Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract (effective 1 January 2022)
- MFRS 17, Insurance Contracts (effective 1 January 2023)
- Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates (effective 1 January 2023)
- Amendments to MFRS 101: Presentation of Financial Statements - Classification of Liabilities as Current or Non-current (effective 1 January 2023)
- Amendments to MFRS 10 and MFRS 128, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Deferred)

NOTE 2 – Seasonal or Cyclical Factors

The Group is principally engaged in:

- (a) the provision of drilling services for exploration, development and production wells to the upstream sector of the oil and gas industry; and
- (b) the provision of workover services for the oil and gas industry; as well as threading, inspection and repair services for Oil Country Tubular Goods, with a focus on premium connections used in high-end and complex wells.

The Group's products and services are dependent on the level of activity, and the corresponding capital spending by oil and gas companies. These oil and gas companies are affected by volatile oil and natural gas prices, and cyclical in the offshore drilling and oilfield services industries.

NOTE 3 – Exceptional Items

There were no material unusual items affecting the Group's assets, liabilities, equity, net income or cash flows during the financial period ended 31 March 2021.

NOTE 4 – Accounting Estimates

There were no material changes in estimates of amounts reported in the prior interim periods of the current financial year or the previous financial years that have a material effect on the results for the financial period under review.

NOTE 5 – Issuance or Repayment of Debt and Equity Securities

There were no issuances, repurchases or repayments of debt securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the financial year under review.

NOTE 6 – Dividends Paid

There were no dividends paid during the financial period ended 31 March 2021.

NOTE 7 – Segmental Reporting

Financial Period Ended 31 March 2021

Business Segment	Revenue RM'000	Profit / (Loss) Before Tax RM'000	Profit / (Loss) Attributable to Owners of the Company RM'000
Drilling Services	40,771	(48,920)	(49,040)
Oilfield Services	2,950	(1,379)	(1,443)
Others (include corporate expenses)	499	(9,988)	(9,991)
Inter-segment	(293)	-	-
Consolidated Total	43,927	(60,287)	(60,474)

Financial Period Ended 31 March 2020

Business Segment	Revenue RM'000	Profit / (Loss) Before Tax RM'000	Profit / (Loss) Attributable to Owners of the Company RM'000
Drilling Services	174,225	26,377	25,510
Oilfield Services	1,847	(2,318)	(2,359)
Others (include corporate expenses)	255	(6,327)	(6,826)
Inter-segment	(58)	-	-
Consolidated Total	176,269	17,732	16,325

NOTE 8 – Subsequent Material Events

On 3 May 2021, an incident involving VELESTO NAGA 7 drilling rig occurred due to the penetration of one of its leg into the soil formation whilst jacking up at Salam-3 well off the coast of Sarawak for ConocoPhillips Sarawak. The rig tilted and subsequently on 4 May 2021, it submerged at the location. During the incident, drilling activities have not commenced and no well has been drilled.

All 101 personnel on board were safely transferred to shore and all the relevant authorities were duly informed. The incident location is currently being monitored for security and any potential adverse impact. The Company is investigating the incident and is evaluating options. The rig is adequately covered by insurance.

NOTE 9 – Changes in Composition / Group

There were no changes in the composition of the Group during the financial period ended 31 March 2021.

NOTE 10 – Commitments for the purchase of Property, Plant and Equipment

The capital commitments are in respect of the following:

	RM'000	RM'000
Approved and contracted for:		
Land and buildings	-	
Equipment, plant and machinery	24,924	
Others	<u>7,243</u>	32,167
Approved but not contracted for:		
Land and buildings	4,410	
Equipment, plant and machinery	125,171	
Others	<u>4,003</u>	<u>133,584</u>
Total		<u><u>165,751</u></u>

NOTE 11 - Significant Related Party Transactions

There were no significant related party transactions for the financial period ended 31 March 2021.

NOTE 12 – Classification of Financial Assets

There were no changes in the classification of financial assets as a result of a change in the purpose or use of the asset.

NOTE 13 – Contingent Liabilities and Contingent Assets

There were no material contingent liabilities and contingent assets as at 31 March 2021.

NOTE 14 – Review of Performance

Performance of Current Quarter Against the Quarter Ended 31 March 2020 (“corresponding quarter”)

	Revenue		Profit / (Loss) Before Tax	
	1st Quarter ended 31/03/2021 RM'000	1st Quarter ended 31/03/2020 RM'000	1st Quarter ended 31/03/2021 RM'000	1st Quarter ended 31/03/2020 RM'000
Business Segment				
Drilling Services	40,771	174,225	(48,920)	26,377
Oilfield Services	2,950	1,847	(1,379)	(2,318)
Others (include corporate expenses)	206	197	(9,988)	(6,327)
Total	43,927	176,269	(60,287)	17,732

Group

Group revenue of RM43.9 million was 75.1% lower than the corresponding quarter's revenue of RM176.3 million, mainly due to lower activities in Drilling segment.

The Group reported RM60.3 million loss before tax in the current quarter against corresponding quarter's profit before tax of RM17.7 million. The loss before tax includes net foreign exchange loss of RM4.5 million against net foreign exchange loss of RM4.1 million in corresponding quarter and higher expense for Covid-19 by RM3.8 million.

Analysis of segmental performance against the corresponding quarter are as follows:

Drilling Services Segment

Drilling Services segment registered a 76.6% decrease in revenue to RM40.8 million in current quarter, mainly due to lower average jack-up rig utilisation of 28% as compared to 84% in the corresponding quarter.

As a result of lower utilisation, the Drilling Services segment registered RM48.9 million loss before tax against the profit before tax of RM26.4 million reported in the corresponding quarter. The loss before tax includes net foreign exchange loss of RM2.0 million against net foreign exchange loss of RM5.2 million in corresponding quarter.

Oilfield Services Segment

The Oilfield Services segment recorded a 59.7% increase in revenue to RM3.0 million in the current quarter. This was mainly due to higher revenue from Oilfield Services (Tianjin) in the current quarter.

As a result of higher revenue, the Oilfield Services segment recorded lower loss before tax of RM1.4 million against the loss before tax of RM2.3 million reported in the corresponding quarter.

Others Segment (include corporate expenses)

Others segment which include corporate expenses recorded higher loss before tax of RM10.0 million in the current quarter against loss before tax of RM6.3 million reported in the corresponding quarter mainly due to net foreign exchange loss of RM2.5 million against net foreign exchange gain of RM1.2 million in the corresponding quarter.

NOTE 15 – Comparison with Preceding Quarter’s Results

	Revenue		Profit / (Loss) Before Tax		Profit / (Loss) Before Tax (Excluding Impairment)	
	1st Quarter ended 31/03/2021 RM'000	4th Quarter ended 31/12/2020 RM'000	1st Quarter ended 31/03/2021 RM'000	4th Quarter ended 31/12/2020 RM'000	1st Quarter ended 31/03/2021 RM'000	4th Quarter ended 31/12/2020 RM'000
Business Segment						
Drilling Services	40,771	95,679	(48,920)	(473,158)	(48,920)	(12,599)
Oilfield Services	2,950	2,991	(1,379)	(880)	(1,379)	(880)
Others (include corporate expenses)	206	390	(9,988)	(9,981)	(9,988)	(9,981)
Total	43,927	99,060	(60,287)	(484,019)	(60,287)	(23,460)

The Group’s revenue of RM43.9 million was 55.7% lower than the preceding quarter’s revenue of RM99.1 million. This was mainly due to lower revenue from Drilling Services as a result of lower average jack-up rig utilisation of 28% as compared to 50% in the preceding quarter.

The Group recorded a lower loss before tax of RM60.3 million against loss before tax of RM484.0 million in the preceding quarter. The preceding quarter loss before tax was largely impacted by an impairment loss of RM460.6 million for the rig assets. The preceding quarter result also includes a one-off depreciation charge of RM22.7 million due to accelerated rigs depreciation.

NOTE 16 – Review of Consolidated Statement of Financial Position

	As at 31/03/2021 RM'000	As at 31/12/2020 RM'000
Total assets	3,442,035	3,454,208
Total equity	2,276,801	2,270,806
Total liabilities	1,165,234	1,183,402
Total equity and liabilities	3,442,035	3,454,208

The Group’s total assets decreased by RM12.2 million or 0.4% mainly due to the decrease in trade receivables by RM63.1 million and offset with higher property, plant and equipment by RM51.8 million mainly resulted from foreign exchange movement.

Total liabilities reduced by RM18.2 million mainly due to reduction in trade payables by RM17.5 million.

Other than the above, there has been no other material movement in total assets and total liabilities as compared to the audited annual financial statements for the financial year ended 31 December 2020.

NOTE 17 – Current Prospect

Drilling Services Segment

An improved outlook in the global economy arising from the roll out of Covid-19 vaccines has contributed to the gradual increase in oil price with the benchmark Brent price hovering between USD60 and USD70 per barrel since early February 2021. The gradual re-opening of US and European economy and the reduced US oil production capacity have lent further support to the price. However, the resurgence of Covid-19 infection rates especially in South Asian and South American countries may negatively impact the demand. The supply may also increase further should the current US-Iran negotiation result in the return of Iranian oil to the global market.

At present, gradual recovery in upstream activities is still continuing, with more projects being sanctioned and more drilling activities taking place globally. However, for the medium term, the Group maintains a cautious outlook as the activities may be impacted by potential decrease in oil prices due to the factors mentioned above.

In Malaysia, while most of the drilling contracts for the year have been awarded, there is a small number of new contracts which are expected to be tendered out and awarded within this year. The Group is gearing to participate in these tenders to further improve asset utilisation.

Currently, three of the Group's six available jack-up drilling rigs are working. Another rig is scheduled to commence mobilisation by the middle of June. The two remaining rigs are being proposed for a number of ongoing tenders.

Naga 7 remains submerged off the coast of Sarawak after the incident on May 3. The incident area is secured while the Group is working with the insurance underwriters and Protection & Indemnity (P&I) Club on the way forward. The rig and other related liabilities are adequately covered under the Hull & Machinery insurance and the P&I Club, respectively. Progressing on the insurance claims, Velesto Drilling Sdn. Bhd, as the insured under the H&M policy has on 31 May 2021 issued a notice of abandonment of the submerged rig, Naga 7 to the H&M insurers, pursuant to the H&M policy and currently await their response.

Oilfield Services Segment

While the demand for workover services and plug and abandonment (P&A) activities is improving in line with PETRONAS Activity Outlook 2021-2023, the progress has been slower than anticipated and some projects have been postponed to 2022. The Group is currently bidding for a number of available contracts.

A gradual demand recovery is seen for the oilfield services operation in China with the Group's subsidiary there securing a number of new contracts.

Group

The slower than anticipated pace of recovery in the global economy as well as in the oil and gas industry necessitates the Board to remain cautious. The Board is of the view that the financial performance for 2021 will continue to be challenging.

NOTE 18 – Statement on Revenue and Profit Forecast

This is not applicable to the Group.

NOTE 19 – Variance from Profit Forecast and Profit Guarantee

This is not applicable to the Group.

NOTE 20 – Taxation

	1st Quarter ended 31/03/2021 RM'000
Taxation for current period	187
Total	187

Several companies in the Group were profitable and in tax payable position while the rest of the companies were in a loss position. Hence the tax charge of RM187,000 for the current quarter.

NOTE 21 – Corporate Proposals

There was no corporate proposal announced but not completed on the date of this announcement.

NOTE 22 – Group Borrowings and Debt Securities

	USD'000 borrowings	RM'000 equivalent
Short term borrowings		
- Secured		
Revolving credit	20,000	83,120
Term loans payable within 12 months	27,963	116,213
Less: Transaction cost	-	(3,286)
	47,963	196,047
Long term borrowings		
- Secured		
Long term loan	237,735	988,025
Term loans payable within 12 months	(27,963)	(116,213)
Less: Transaction cost	-	(7,751)
	209,772	864,061
Total	257,735	1,060,108

Movements of Borrowings	Revolving Credit RM '000	Short Term Borrowings RM '000	Long Term Borrowings RM '000	Total RM '000
At 1 January 2021	80,620	102,043	871,139	1,053,802
Unamortised transaction costs	-	3,367	8,112	11,479
Gross Borrowings at 1 January 2021	80,620	105,410	879,251	1,065,281
Effect of changes in foreign exchange rate	2,500	3,269	27,265	33,034
Repayment	-	(27,170)	-	(27,170)
	83,120	81,509	906,516	1,071,145
Unamortised transaction costs	-	(3,286)	(7,751)	(11,037)
Amount payable within 12 months	-	34,704	(34,704)	-
At 31 March 2021	83,120	112,927	864,061	1,060,108

NOTE 23 – Material Litigation

Reference is made to the previous announcements made by the Company on enforcement proceeding against Frontier Oil Corporation (“FOC”) by Velesto Drilling Sdn. Bhd. (“VED”), a wholly-owned subsidiary of the Company, at the Regional Trial Court, in Makati City, Philippines (“Makati Court”).

On 11 December 2019, the Makati Court had granted VED’s application for clarification and confidential treatment of information in the application for publication. The Petition was published in the Philippines on 3 February 2020.

After several adjournments due to quarantine in order to curb the Covid-19 pandemic declared in certain regions in the Philippines, the matter was heard by the Makati Court on 24 November 2020.

Following requirements by the Court, further exhibits were submitted on 19 May 2021 while awaiting an order for the taking of the testimony of the Company’s witness.

The Company will make further announcement on material development on this matter from time to time.

Other than the above, there was no other material litigation pending on the date of this announcement.

NOTE 24 – Dividend

No dividend has been recommended for the period ended 31 March 2021.

NOTE 25 – Earnings Per Share

	Quarter Ended 31/03/2021	Quarter Ended 31/03/2020	(Unaudited) Financial Period Ended 31/03/2021	(Unaudited) Financial Period Ended 31/03/2020
(Loss) / Profit For The Period Attributable To:				
Equity Holders Of The Company (RM’000)	(60,474)	16,325	(60,474)	16,325
Weighted average number of ordinary shares in issue (’000)				
- Basic	8,215,600	8,215,600	8,215,600	8,215,600
Effects of dilution:				
Options under ESOS	-	-	-	-
- Diluted	8,215,600	8,215,600	8,215,600	8,215,600
(Loss) / Earnings Per Share Attributable To Equity Holders Of The Company:				
- Basic (Sen)	(0.74)	0.20	(0.74)	0.20
- Diluted (Sen)	(0.74)	0.20	(0.74)	0.20

94,040,000 options under the Employees’ Share Option Scheme (“ESOS”) granted on 1 November 2019 have not been included in the calculation of diluted earnings per share as the exercise price of the options exceeds the average market price of ordinary shares.

NOTE 26 – Audit Qualification

The audit report in respect of the annual financial statements of the Company for the financial year ended 31 December 2020 was not qualified.

NOTE 27 – Items to Disclose in the Statement of Comprehensive Income

	1st Quarter ended 31/03/2021 RM'000
(a) Interest income	648
(b) Other investment Income	500
(c) Depreciation and amortisation	(41,189)
(d) Net foreign exchange loss	(4,530)

By Order Of The Board

LEE MI RYOUNG
Secretary
(MAICSA 7058423)

Kuala Lumpur
31 May 2021